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Eradication of poverty and other development issues: implementation of the first United Nations Decade for the Eradication of Poverty (1997-2006)

Report of the Second Committee*

Rapporteur: Ms. Vanessa **Gomes** (Portugal)

I. Introduction

1. The Second Committee held a substantive debate on agenda item 57 (see A/61/426, para. 2). Action on sub-item (a) was taken at the 29th, 30th, 33rd and 34th meetings, on 14 and 17 November and 6 and 8 December 2006. An account of the Committee's consideration of the sub-item is contained in the relevant summary records (A/C.2/61/SR.29, 30, 33 and 34).

II. Consideration of proposals

A. Draft resolutions A/C.2/61/L.22 and A/C.2/61/L.66

2. At the 29th meeting, on 14 November, the representative of South Africa, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution entitled "Implementation of the first United Nations Decade for the Eradication of Poverty (1997-2006)" (A/C.2/61/L.22), which read:

> *"The General Assembly,*
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> *"Recalling* its resolutions 47/196 of 22 December 1992, 48/183 of 21 December 1993, 50/107 of 20 December 1995, 56/207 of 21 December 2001, 57/265 and 57/266 of 20 December 2002, 58/222 of 23 December 2003, 59/247 of 22 December 2004 and 60/209 of 22 December 2005,

* The report of the Committee on this item will be issued in three parts, under the symbol A/61/426 and Add.1 and 2.

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"*Recalling also* the United Nations Millennium Declaration, adopted by Heads of State and Government on the occasion of the Millennium Summit, and their commitment to eradicate extreme poverty and to halve, by 2015, the proportion of the world's people whose income is less than one dollar a day and the proportion of people who suffer from hunger,

"*Recalling further* the 2005 World Summit Outcome,

"*Recalling* its resolution 60/265 of 30 June 2006 on the follow-up to the development outcome of the 2005 World Summit, including the Millennium Development Goals and the other internationally agreed development goals,

"*Recalling also* the outcomes of the World Summit for Social Development and the twenty-fourth special session of the General Assembly,

"*Expressing its deep concern* that, even after the first United Nations Decade for the Eradication of Poverty, the number of people living in extreme poverty in many countries continues to increase, with women and children constituting the majority and the most affected groups, in particular in the least developed countries and in sub-Saharan Africa,

"*Recognizing* that mobilizing financial resources for development at the national and international levels and the effective use of those resources are central to a global partnership for development in support of the achievement of the internationally agreed development goals, including the Millennium Development Goals,

"*Underlining* the priority and urgency given by the Heads of State and Government to the eradication of poverty, as expressed in the outcomes of the major United Nations conferences and summits in the economic and social fields,

"*Recognizing* the degrading and dehumanizing nature of extreme poverty,

"1. *Takes note* of the report of the Secretary-General;

"2. *Recognizes* that the first United Nations Decade for the Eradication of Poverty (1997-2006) made, inter alia, a contribution to building a global partnership to eradicate poverty in general and extreme poverty in particular at the national and international levels;

"3. *Reiterates* that eradicating poverty is the greatest global challenge facing the world today and an indispensable requirement for sustainable development, in particular for developing countries;

"4. *Recognizes* that, for developing countries to reach the targets set in the context of national development strategies for the achievement of the internationally agreed development goals, including the Millennium Development Goals, in particular the goal on the eradication of poverty, and for such poverty eradication strategies to be effective, it is imperative that developing countries be integrated into the world economy and share equitably in the benefits of globalization;

"5. *Also recognizes* the importance of official development assistance as an important source of financing development for many developing countries, and in this regard urges developed countries that have not yet done

so to make concrete efforts towards the 0.7 per cent target of the gross national product as official development assistance to developing countries;

"6. *Proclaims* the Second United Nations Decade for the Eradication of Poverty (2007-2016);

"7. *Urges* all Governments, the international community, including the United Nations system and all other actors, to pursue seriously the objective of the eradication of poverty within the context of the Second Decade;

"8. *Reiterates* the need to strengthen the leadership role of the United Nations in promoting international cooperation for development, critical for the eradication of poverty;

"9. *Welcomes* the observance of the International Day for the Eradication of Poverty and the International Human Solidarity Day, in order to raise public awareness to promote the eradication of poverty and extreme poverty in all countries, and in this regard recognizes the useful role the observance of the days continues to play in raising public awareness and mobilizing all stakeholders in the fight against poverty;

"10. *Urges* all Governments and the international community, including the United Nations system, and all other actors in society to pursue effectively the implementation of the outcomes of major United Nations conferences related to the eradication of poverty, in particular the World Summit for Social Development;

"11. *Requests* the Secretary-General to invite those organs, organizations, programmes, agencies, funds and bodies of the United Nations system that have not already done so to consider the establishment of focal points and other similar mechanisms so that they may effectively implement the provisions, agreements and outcomes of major United Nations conferences relevant to the eradication of poverty;

"12. *Stresses* the importance of ensuring, at the intergovernmental and inter-agency levels, coherent, comprehensive and integrated activities for the Second Decade, according to the outcome of the major United Nations conferences and summits organized in the economic, social and related fields;

"13. *Calls upon* Member States, the United Nations system, relevant international organizations and all other actors concerned with the Decade to participate actively in the financial and technical support of the Second Decade, in particular with a view to translating all measures and recommendations into operational and concrete poverty eradication programmes and activities;

"14. *Calls upon* developing countries to mobilize domestic and external resources for poverty eradication programmes and activities, and to facilitate their full and effective implementation;

"15. *Calls upon* donor countries to give greater priority to the eradication of poverty in their assistance programmes and budgets, on either a bilateral or a multilateral basis;

"16. *Recognizes* the useful role the observance of the International Day for the Eradication of Poverty continues to play in raising public awareness

and mobilizing all stakeholders in the fight against poverty, and requests the Secretary-General to undertake a review of the observance of the Day in order to identify lessons learned and ways to promote the mobilization of all stakeholders in the fight against poverty;

"17. *Decides* to include in the provisional agenda of its sixty-second session an item entitled 'Second United Nations Decade for the Eradication of Poverty (2007-2016)', and requests the Secretary-General to report to the General Assembly at that session on the implementation of the present resolution."

3. At its 34th meeting, on 8 December, the Committee had before it a draft resolution entitled "Implementation of the first United Nations Decade for the Eradication of Poverty (1997-2006)" (A/C.2/61/L.66), submitted by the Vice-Chairman of the Committee, Prayono Atiyanto (Indonesia), on the basis of informal consultations held on draft resolution A/C.2/61/L.22.

4. At the same meeting, the representative of Angola, as facilitator, orally corrected draft resolution A/C.2/61/L.66.

5. The Committee was informed that the draft resolution had no programme budget implications.

6. Also at its 34th meeting, the Committee adopted draft resolution A/C.2/61/L.66, as orally corrected (see para. 14, draft resolution I).

7. In the light of the adoption of draft resolution A/C.2/61/L.66, draft resolution A/C.2/61/L.22 was withdrawn by its sponsors.

B. Draft resolutions A/C.2/61/L.39 and A/C.2/61/L.63

8. At the 30th meeting, on 17 November, the representative of South Africa, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution entitled "Role of microcredit and microfinance in the eradication of poverty" (A/C.2/61/L.39), which read:

"*The General Assembly*,

"*Recalling* its resolutions 52/193 and 52/194 of 18 December 1997, 53/197 of 15 December 1998, 58/221 of 23 December 2003 and 59/246 of 22 December 2004,

"*Recognizing* that microcredit and microfinance programmes have succeeded in generating productive self-employment and proved to be an effective tool in assisting people in overcoming poverty and reducing their vulnerability to crisis, and have led to their growing participation, in particular the participation of women, in the mainstream economic and political processes of society,

"*Bearing in mind* the importance of microfinance instruments, such as credit, savings and other financial products and services, in providing access to capital for people living in poverty,

"*Recognizing* that the majority of the world's poor still do not have access to financial services and that there is significant demand for microcredit worldwide,

"*Noting* the convening of the United Nations Advisers Group on Inclusive Financial Sectors to promote the building of inclusive financial sectors to meet the needs and demands of poor people everywhere, building on the creation of the 'Blue Book' as a tool for policymakers seeking to build more inclusive financial sectors,

"*Noting also* the convening of the Global Microcredit Summit in Halifax, Canada, from 12 to 15 November 2006,

"*Welcoming* the efforts made in the field of property rights, and noting that an enabling environment at all levels, including transparent regulatory systems and competitive markets, fosters the mobilization of resources and access to finance for people living in poverty,

"1. *Takes note* of the report of the Secretary-General on the observance of the International Year of Microcredit, 2005, including the role of microcredit and microfinance in the eradication of poverty;

"2. *Welcomes* the successful observance of the International Year of Microcredit, 2005, which offered a special opportunity to raise awareness and share best practices and lessons learned on microcredit and microfinance;

"3. *Recognizes* that access to microcredit and microfinance can contribute to the achievement of the goals and targets of major United Nations conferences and summits in the economic and social fields, including those contained in the United Nations Millennium Declaration, in particular the goals relating to poverty eradication, gender equality and the empowerment of women;

"4. *Takes note* of the lack of relevant statistical data on microfinance and microcredit programmes, particularly at the national and regional levels, and in this regard invites the international community, particularly the donor community, to support developing countries in collecting and preserving necessary statistical data and information on this issue;

"5. *Calls upon* Member States and the United Nations system as well as other relevant stakeholders to fully maximize the role of microcredit and microfinance as tools for poverty eradication and to ensure that best practices in the microfinance sector are widely disseminated;

"6. *Acknowledges* that the Global Microentrepreneurship Awards contributed to promoting entrepreneurial culture and underscores in this regard the need to explore ways to continue the initiatives;

"7. *Calls upon* Member States, United Nations organizations, the Bretton Woods institutions and other relevant stakeholders to undertake necessary measures, in particular through supporting the developing countries in their efforts directed towards capacity-building of microcredit and other financial institutions, to achieve the Microcredit Summit Campaign goals in a timely manner;

"8. *Invites* Member States to consider undertaking policies to facilitate the expansion of microcredit and microfinance institutions in order to service the large unmet demand among poor people for financial services, including the identification and development of mechanisms to promote sustainable access to financial services, the removal of institutional and regulatory obstacles and the provision of incentives to microfinance institutions that meet national standards for delivering such financial services to the poor;

"9. *Requests* the Secretary-General to submit a report on the implementation of the present resolution to the General Assembly at its sixty-second session under an item entitled 'Implementation of the Second United Nations Decade for the Eradication of Poverty (2007-2016)' "

9. At its 33rd meeting, on 6 December, the Committee had before it a draft resolution entitled "Role of microcredit and microfinance in the eradication of poverty" (A/C.2/61/L.63), submitted by the Vice-Chairman of the Committee, Prayono Atiyanto (Indonesia), on the basis of informal consultations held on draft resolution A/C.2/61/L.39.

10. At the same meeting, the representative of Jamaica, as facilitator, orally corrected draft resolution A/C.2/61/L.63.

11. At the same meeting, the Committee was informed that the draft resolution had no programme budget implications.

12. Also at its 33rd meeting, the Committee adopted draft resolution A/C.2/61/L.63 as orally corrected (see para. 14, draft resolution II).

13. In the light of the adoption of draft resolution A/C.2/61/L.63, draft resolution A/C.2/61/L.39 was withdrawn by its sponsors.

III. Recommendation of the Second Committee

14. The Second Committee recommends to the General Assembly the adoption of the following draft resolutions:

Draft resolution I
Implementation of the first United Nations Decade for the Eradication of Poverty (1997-2006)

The General Assembly,

Recalling its resolutions 47/196 of 22 December 1992, 48/183 of 21 December 1993, 50/107 of 20 December 1995, 56/207 of 21 December 2001, 57/265 and 57/266 of 20 December 2002, 58/222 of 23 December 2003, 59/247 of 22 December 2004 and 60/209 of 22 December 2005,

Recalling also the United Nations Millennium Declaration, adopted by Heads of State and Government on the occasion of the Millennium Summit,[1] and their commitment to eradicate extreme poverty and to halve, by 2015, the proportion of the world's people whose income is less than one dollar a day and the proportion of people who suffer from hunger,

Recalling further the 2005 World Summit Outcome,[2]

Recalling its resolution 60/265 of 30 June 2006 on the follow-up to the development outcome of the 2005 World Summit, including the Millennium Development Goals and the other internationally agreed development goals,

Recalling also its resolution 61/16 of 20 November 2006 on the strengthening of the Economic and Social Council,

Recalling further the outcomes of the World Summit for Social Development[3] and the twenty-fourth special session of the General Assembly,[4]

Expressing its deep concern that, even after the first United Nations Decade for the Eradication of Poverty, the number of people living in extreme poverty in many countries continues to increase, with women and children constituting the majority and the most affected groups, in particular in the least developed countries and in sub-Saharan Africa,

Encouraged by reductions in poverty in some countries in the recent past, and determined to reinforce and extend this trend to benefit people worldwide,

Recognizing that mobilizing financial resources for development at the national and international levels and the effective use of those resources are central to a global partnership for development in support of the achievement of the internationally agreed development goals, including the Millennium Development Goals,

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[1] See resolution 55/2.

[2] See resolution 60/1.

[3] *Report of the World Summit for Social Development, Copenhagen, 6-12 March 1995* (United Nations publication, Sales No. E.96.IV.8), chap. I, resolution 1, annexes I and II.

[4] Resolution S-24/2, annex.

Acknowledging that sustained economic growth, supported by rising productivity and a favourable environment, including private investment and entrepreneurship, is necessary to eradicate poverty, achieve the internationally agreed development goals, including the Millennium Development Goals, and realize a rise in living standards,

Underlining the priority and urgency given by the Heads of State and Government to the eradication of poverty, as expressed in the outcomes of the major United Nations conferences and summits in the economic and social fields,

1. *Recognizes* the contribution that the first United Nations Decade for the Eradication of Poverty (1997-2006) has made to poverty eradication, and notes the interest expressed for the proclamation of a second United Nations decade for the eradication of poverty;

2. *Also recognizes* that during the implementation of the Decade the international community adopted, inter alia, the United Nations Millennium Declaration,[1] the Monterrey Consensus of the International Conference on Financing for Development,[5] the internationally agreed development goals, including the Millennium Development Goals, and the 2005 World Summit Outcome,[2] all of which are mechanisms to focus national, regional and international efforts towards achieving poverty eradication;

3. *Reiterates* that eradicating poverty is the greatest global challenge facing the world today and an indispensable requirement for sustainable development, in particular for developing countries;

4. *Urges* all Governments, the international community, including the United Nations system, and all other actors to pursue seriously the objective of the eradication of poverty within the context of the second Decade;

5. *Reiterates* the need to strengthen the leadership role of the United Nations in promoting international cooperation for development, critical for the eradication of poverty;

6. *Welcomes* the observance of the International Day for the Eradication of Poverty and the International Human Solidarity Day in order to raise public awareness to promote the eradication of poverty and extreme poverty in all countries, in this regard recognizes the useful role the observance of the days continues to play in raising public awareness and mobilizing all stakeholders in the fight against poverty, and encourages a participatory approach of the International Day for the Eradication of Poverty;

7. *Stresses* the importance of ensuring, at the intergovernmental and inter-agency levels, coherent, comprehensive and integrated activities for poverty in accordance with the outcome of the major United Nations conferences and summits organized in the economic, social and related fields;

8. *Calls upon* donor countries to continue to give priority to the eradication of poverty in their assistance programmes and budgets, on either a bilateral or a multilateral basis;

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[5] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

9. *Requests* the Secretary-General to submit to the General Assembly at its sixty-second session a comprehensive report evaluating the implementation of the first United Nations Decade for the Eradication of Poverty, including recommendations on maintaining the momentum generated by the implementation of the Decade;

10. *Recognizes* the useful role the observance of the International Day for the Eradication of Poverty continues to play in raising public awareness and mobilizing all stakeholders in the fight against poverty, and requests the Secretary-General to take into account his report on the observance of the Day,[6] as well as all other relevant reports concerning poverty eradication, in preparing his comprehensive report on the implementation of the Decade;

11. *Decides* to include in the provisional agenda of its sixty-second session the item entitled "Implementation of the first United Nations Decade for the Eradication of Poverty (1997-2006)".

[6] A/61/308.

Draft resolution II
Role of microcredit and microfinance in the eradication of poverty

The General Assembly,

Recalling its resolutions 52/193 and 52/194 of 18 December 1997, 53/197 of 15 December 1998, 58/221 of 23 December 2003 and 59/246 of 22 December 2004,

Recognizing the need for access to financial services, in particular for the poor, including access to microfinance and microcredit,

Recognizing also that microfinance, including microcredit programmes, has succeeded in generating productive self-employment and proved to be an effective tool in assisting people in overcoming poverty and reducing their vulnerability to crisis, and has led to their growing participation, in particular the participation of women, in the mainstream economic and political processes of society,

Recognizing further that the majority of the world's poor still do not have access to financial services and that microcredit and microfinance are the subject of significant demand worldwide,

Bearing in mind the importance of microfinance instruments, such as credit, savings and other financial products and services, in providing access to capital for people living in poverty,

Bearing in mind also that microcredit programmes have especially benefited women and have resulted in the achievement of their empowerment,

Noting with appreciation the establishment of the United Nations Advisers Group on Inclusive Financial Sectors to promote the building of inclusive financial sectors to meet the needs and demands of poor people everywhere, building on the creation of the "Blue Book"[1] as a tool for policymakers seeking to build more inclusive financial sectors,

Noting events organized for the promotion of inclusive financial sectors, including the convening of the Global Microcredit Summit in Halifax, Canada, from 12 to 15 November 2006,

Welcoming the efforts made in the field of property rights, and noting that an enabling environment at all levels, including transparent regulatory systems and competitive markets, fosters the mobilization of resources and access to finance for people living in poverty,

Noting with appreciation the contribution of awards and prizes to increasing the visibility and awareness of the role of microfinance, including microcredit, in the eradication of poverty, most notably the awarding of the 2006 Nobel Peace Prize,

[1] *Building Inclusive Financial Sectors for Development* (United Nations publication, Sales No. E.06.II.A.3).

1. *Takes note* of the report of the Secretary-General on the observance of the International Year of Microcredit, 2005, and on the role of microcredit and microfinance in the eradication of poverty;[2]

2. *Welcomes* the successful observance of the International Year of Microcredit, 2005, which constituted a special occasion to raise awareness and share best practices and lessons learned on microcredit and microfinance;

3. *Recognizes* that access to microfinance and microcredit can contribute to the achievement of the goals and targets of major United Nations conferences and summits in the economic and social fields, including those contained in the United Nations Millennium Declaration,[3] in particular the goals relating to poverty eradication, gender equality and the empowerment of women;

4. *Notes* the lack of relevant statistical data on inclusive financial sectors, in particular microfinance and microcredit programmes, in particular at the national and regional levels, and in this regard invites the international community, in particular the donor community, to support developing countries in collecting and preserving necessary statistical data and information on this issue, specifically on defining and measuring access to financial services and products at the country level and measuring the type, quality and usage of such services and products over time;

5. *Calls upon* Member States, the United Nations system and other relevant stakeholders to fully maximize the role of microfinance tools, including microcredit for poverty eradication and especially for the empowerment of women, and to ensure that best practices in the microfinance sector are widely disseminated;

6. *Calls upon* Member States, the United Nations system, the Bretton Woods institutions and other relevant stakeholders to support, in a coordinated manner, the efforts of developing countries in capacity-building for microfinance and microcredit institutions, including by improving their policy and regulatory framework;

7. *Invites* Member States to consider adopting policies to facilitate the expansion of microcredit and microfinance institutions in order to service the large unmet demand among poor people for financial services, including the identification and development of mechanisms to promote access to sustainable financial services, the removal of institutional and regulatory obstacles and the provision of incentives to microfinance institutions that meet national standards for delivering such financial services to the poor;

8. *Requests* the Secretary-General to submit to the General Assembly at its sixty-third session a report on the implementation of the present resolution, under the item entitled "Eradication of poverty and other development issues".

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[2] A/61/307.

[3] See resolution 55/2.